

CITY OF BISMARCK DEFERRED SICK LEAVE FUND
INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2008

	October-08				September-08				Current FYTD	Prior Year FY08	3 Years Ended 6/30/2008	5 Years Ended 6/30/2008
	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net	Net	Net	Net
LARGE CAP DOMESTIC EQUITY												
Structured Growth												
Los Angeles Capital	13,491	2.0%	2.3%	-16.95%	16,240	2.2%	2.3%	-12.89%	-27.65%	-7.79%	7.68%	N/A
Total Structured Growth	13,491	2.0%	2.3%	-16.95%	16,240	2.2%	2.3%	-12.89%	-27.65%	-7.79%	7.68%	9.56%
Russell 1000 Growth				-17.61%				-12.33%	-27.76%	-5.96%	5.91%	7.32%
Structured Value												
LSV	12,281	1.8%	2.3%	-20.01%	15,344	2.0%	2.3%	-6.65%	-25.33%	-21.43%	3.81%	11.57%
Russell 1000 Value				-17.31%				-6.11%	-22.37%	-18.78%	3.53%	8.92%
Russell 1000 Enhanced Index												
LA Capital	27,398	4.0%	4.5%	-15.71%	32,814	4.4%	4.5%	-9.52%	-23.73%	-9.54%	6.97%	N/A
Russell 1000				-17.46%				-9.35%	-25.18%	-12.36%	4.81%	
S&P 500 Enhanced Index												
Westridge	28,165	4.1%	4.5%	-16.71%	33,805	4.5%	4.5%	-8.06%	-23.42%	-12.18%	4.98%	N/A
S&P 500				-16.79%				-8.37%	-23.76%	-13.12%	4.41%	
Index												
State Street	8,732			-17.05%	10,604			-11.64%	-26.70%	-18.24%	2.93%	6.64%
Total 130/30	8,732	1.3%	1.5%	-17.05%	10,604	1.4%	1.5%	-11.64%	-26.70%	-18.24%	2.93%	6.64%
S&P 500				-16.79%				-8.37%	-23.76%	-13.12%	4.41%	7.59%
TOTAL LARGE CAP DOMESTIC EQUITY	90,067	13.2%	15.0%	-16.94%	108,807	14.5%	15.0%	-9.42%	-24.76%	-12.71%	5.68%	9.31%
S&P 500				-16.79%				-8.37%	-23.76%	-13.12%	4.41%	7.59%
SMALL CAP DOMESTIC EQUITY												
Manager-of-Managers												
SEI	13,772	2.0%	2.5%	-22.99%	17,813	2.4%	2.5%	-6.64%	-28.10%	-20.93%	2.06%	9.10%
Russell 2000 + 200bp				-20.64%				-0.61%	-21.12%	-14.48%	5.88%	12.50%
Enhanced												
Research Affiliates	15,198	2.2%	2.5%	-21.05%	19,235	2.6%	2.5%	-2.34%	-22.89%	N/A	N/A	N/A
Clifton	17	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Enhanced	15,215	2.2%	2.5%	-21.05%	19,235	2.6%	2.5%	-2.34%	-22.89%	N/A	N/A	N/A
Russell 2000				-20.80%				-1.11%	-21.68%	-16.19%		
TOTAL SMALL CAP DOMESTIC EQUITY	28,987	4.3%	5.0%	-21.98%	37,048	7.5%	5.0%	-4.46%	-25.46%	-21.14%	1.97%	9.04%
Russell 2000				-20.80%				-1.11%	-21.68%	-16.19%	3.79%	10.29%
INTERNATIONAL EQUITY												
Large Cap - Active												
Capital Guardian	21,927	3.2%	4.0%	-19.54%	27,366	3.7%	4.0%	-19.12%	-34.93%	-12.37%	12.24%	14.35%
LSV	21,669	3.2%	4.0%	-20.12%	27,113	3.6%	4.0%	-17.02%	-33.72%	-25.78%	7.37%	N/A
Total Large Cap - Active	43,597	6.4%	8.0%	-19.83%	54,479	7.3%	8.0%	-18.09%	-34.34%	-19.29%	9.83%	13.46%
MSCI EAFE - 50% Hedged				-17.28%				-16.79%	-31.17%	-15.14%	10.93%	14.67%
Small Cap - Value												
DFA	4,897	0.7%	1.0%	-21.76%	6,259	0.8%	1.0%	-20.83%	-38.05%	N/A	N/A	N/A
Total Small Cap Value	4,897	0.7%	1.0%	-21.76%	6,259	0.8%	1.0%	-20.83%	-38.05%	-12.74%	9.30%	17.27%
S&P/Citigroup Broad Market Index < \$2BN				-23.80%				-23.50%	-41.71%	-25.49%	7.39%	17.33%
Small Cap - Growth												
Vanguard	4,560	0.7%	1.0%	-24.14%	6,004	0.8%	1.0%	-25.01%	-43.11%	-17.52%	11.77%	20.18%
Citigroup Broad Market Index < \$2BN				-23.80%				-23.50%	-41.71%	-25.49%	7.39%	17.33%
TOTAL INTERNATIONAL EQUITY	53,053	7.8%	10.0%	-20.40%	66,742	8.9%	10.0%	-19.01%	-35.53%	-18.83%	9.79%	14.56%

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	Market Value	Allocation	Policy	Month	Market Value	Allocation	Quarter		FYTD	FY08	Ended	Ended
				Net ROR			Net ROR		Net	Net	6/30/2008	6/30/2008
											Net	Net
<i>MSCI EAFE - 50% Hedged</i>				-17.28%			-16.79%		-31.17%	-15.14%	10.93%	14.67%
DOMESTIC FIXED INCOME												
Core Bond												
Western Asset	138,772	20.4%	20.2%	-6.68%	148,688	19.9%	20.2%	-5.05%	-11.39%	2.06%	2.76%	3.55%
<i>Lehman Aggregate</i>				-2.36%				-0.49%	-2.84%	7.12%	4.09%	3.86%
Mortgage Backed												
Hyperion	26,850	3.9%	5.2%	-7.36%	28,615	3.8%	5.2%	-21.09%	-26.90%	-20.24%	N/A	N/A
<i>Lehman Global Aggregate (US Securitized Portion)</i>				-3.66%				-1.46%	-5.07%	10.14%		
Core Plus/Enhanced												
<i>Clifton Group</i>	44,891	6.6%	5.2%	-0.25%	45,289	6.0%	5.2%	0.43%	0.18%	10.17%	N/A	N/A
<i>Prudential</i>	42,221	6.2%	5.2%	-5.21%	44,129	5.9%	5.2%	-1.35%	-6.49%	4.89%	N/A	N/A
Total Core Plus/Enhanced	87,112	12.8%	10.4%	-2.70%	89,418	11.9%	10.4%	-0.46%	-3.15%	7.55%	N/A	N/A
<i>Lehman Aggregate</i>				-2.36%				-0.49%	-2.84%	7.12%		
Index												
Bank of ND	76,178	11.2%	9.1%	-2.32%	77,966	10.4%	9.1%	-1.24%	-3.53%	7.68%	3.93%	3.28%
<i>Lehman Gov/Credit (1)</i>				-2.51%				-1.64%	-4.10%	7.24%	3.84%	3.24%
BBB Average Quality												
Wells Capital (formerly Strong)	140,134	20.6%	20.2%	-7.91%	152,444	20.4%	20.2%	-3.67%	-11.29%	3.55%	3.04%	3.85%
<i>Lehman US Credit BAA</i>				-10.95%				-4.85%	-15.26%	2.62%	2.52%	3.59%
TOTAL DOMESTIC FIXED INCOME	469,047	68.9%	65.0%	-5.69%	497,133	66.4%	65.0%	-4.37%	-9.82%	2.32%	3.89%	5.04%
<i>Lehman Aggregate (2)</i>				-2.36%				-0.49%	-2.84%	7.12%	4.09%	3.73%
CASH EQUIVALENTS												
Bank of ND	39,179	5.8%	5.0%	0.13%	39,129	5.2%	5.0%	0.48%	0.61%	3.43%	4.10%	3.38%
<i>90 Day T-Bill</i>				0.11%				0.63%	0.74%	3.63%	4.27%	3.18%
TOTAL DEFERRED SICK LEAVE FUND	680,332	100.0%	100.0%	-9.71%	748,859	102.6%	100.0%	-6.39%	-15.48%	-3.20%	4.12%	5.59%
POLICY TARGET BENCHMARK				-6.82%				-3.32%	-9.91%	0.33%	4.98%	5.77%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.